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The Importance of U.S.-Argentine RelationsI. STATEMENT OF PROBLEM

U.S.-Argentine relations have been buffeted by the human rights issue, which is discussed next. As a result, we sometimes are accused of having lost sight of other important interests in Argentina, and the Argentine government has come to believe that we attach little importance to their country. Our failure to name a new ambassador promptly, and recent declarations by former Ambassador Hill have not helped.

The Argentine press has attributed Hill's resignation to disagreement with President Carter's policy. Hill told Gente magazine in an interview, published on July 7, that he resigned as soon as Carter became President. "But my resignation was not accepted. I was asked to stay a few months more. I did it with misgivings, but it was my duty. Then I discussed dates with the Department of State, but they left me in suspense. Then Mrs. Patricia Derian arrived in Argentina...who asked me if I wanted to continue my duties. I said no...because I cannot carry out an American policy on human rights which I consider erroneous and full of a lack of knowledge of Argentine reality." Hill reportedly went on to say that President Carter's policy is "ambivalent and contradictory because, on the one hand, it applies military and economic sanctions against traditional friends of the United States such as Argentina, Chile and Brazil for assumed violations of human rights but, on the other hand, it does not condemn Cuba and North Vietnam and many other countries who are traditional enemies..." Hill complained that Washington did not listen to him, because there is a tendency to listen to sources that are less reliable than an Ambassador. When asked about Governor Castro, Hill is reported as saying: "I don't know. At least his position on human rights does not appear to be in much accord with what Carter demands and wants to impose in his foreign policy...When he was asked in Sonora if he (Castro) knew what position he would take in Argentina with respect to human rights, Castro replied: Argentina does not have that type of problem..." Ambassador Hill also made a speech to the Argentine-American Chamber of Commerce and to the Pan American Society. In both speeches he criticized sanctions.

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Hill's statements, and, of course, the Argentine government's conviction that Henry Kissinger sympathized with their problems, have served to convey the impression that the new Administration is unfriendly to Argentina.

II. FOREIGN GOVERNMENT POSITION

The Argentine government believes that its fight against terrorism and Marxism merits our support. It also believes that it has tried very hard to demonstrate that friendship with the United States is an Argentine policy objective. This has not been the case historically with Argentina. The Videla government has settled eight of nine investment disputes with the U.S., it very recently agreed to a landmark civil air agreement after 30 years of dispute, and it has taken a moderate position in North-South issues. All Americans held on "subversive" grounds have been released.

III. OUR POSITION

We are fully aware that Argentina is a key Latin American state. Its enormous food potential would be enough to make it important. But is also Latin America's most advanced nuclear state (separate issue) and has a huge continental shelf which potentially contains, according to the US Geological Service, fantastic quantities of oil. It is also significant that Argentina has a \$350 million trade surplus with the Communist world and that these states very probably would like to balance the deficit by selling arms - which the Argentines have refused to buy so far. There was a troublesome report in July, however, that the Argentine Air Attache in Lima was traveling to Moscow.

SUGGESTED TALKING POINTS

-- I was very disappointed that I was unable to visit Argentina in May. I very much wanted to come to Buenos Aires early because of the importance I personally attach to our relations.

-- I believe it is unfortunate that so much time has gone by since an Assistant Secretary for Inter-American Affairs has visited Argentina. (FYI - Neither Assistant Secretary Rogers nor Shlaudeman visited Buenos Aires.)

An Assistant Secretary has not visited since 1975.

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-- We very much want to promote far greater interchange between our two countries. I am sure you are aware that we strongly encouraged the upcoming visits by Congressional delegations headed by Senator Hollings and Representative Yatron.

-- For use only if raised: I am aware of Ambassador Hill's statements which were made as a private citizen. He very easily could have resigned immediately after the inauguration of President Carter had he wished.

-- I know that Argentina also attaches a high priority to its relations with the United States. We recognize, for example, that eight of nine investment disputes have been resolved and that a very promising civil aviation agreement will soon go into effect. This will facilitate greater traffic between our two countries and be of lasting benefit to both our nations.

(At this point you may wish to go into human rights problem - next issue)

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